GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:2747
ANSWERED ON:06.12.2000
REMOVAL OF READYMADE GARMENTS SECTOR FROM SSI
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Government have taken any decision to exclude the readymade garments sector from the purview of small scale industries;

(b) if so, the reasons therefor;

(c) whether lakhs of families were earning their livelihood from such sectors;

(d) if so, the number of persons likely to get some work after the exclusion of this sector from the small scale industries;

(e) whether foreign investment alongwith foreign technology would be introduced in this industry which will make it less labour oriented and more capital oriented; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) & (b): Yes, Sir. The Government has recently announced in the National Textile Policy, 2000, the dereservation of Readymade Garment from the list of item reserved for exclusive manufacture in the small scale sector. The main reasons for dereservation of Readymade garments are technology upgradation enhancement of productivity, quality consciousness, product diversification, increase in exports and innovative marketing strategies, maximising employment opportunities, etc.

(c) to (f): Yes, Sir. The major operations involved in manufacture of Readymade Garments are cutting of fabric, stitching of garments, button holing and stitching and post sewing operations. Most of these processes will continue to be labour oriented requiring large employment even though foreign capital alongwith foreign technology will be inducted in the sector. Further, with the increase in production of quality garments through technology upgradation, the demand of garments will increase both domestically and globally and this would lead to generation of additional employment opportunities.